



Family and Social Services Administration

Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE)

Annual Report

In compliance with IC 12-10-10-11, IC 12-10-11.5-6 and HB 1001

State Fiscal Year 2015

July 1, 2014 – June 30, 2015

2015-09-18

Executive Summary

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program continued to provide needed services for thousands of Hoosiers in State Fiscal Year 2015 (SFY2015), which encompasses July 1, 2014 through June 30, 2015. In SFY 2015, CHOICE provided community and home care services as an alternative to institutional care for 6,741 Hoosiers. CHOICE served an average of 2801 clients per month, with average allocation of \$845 per month¹. Total CHOICE allocation for the fiscal year were \$28,385,643 which are exclusively state dollars. Additionally, \$18,000,000 from the CHOICE allocation were used as state match to serve clients through the Aged and Disabled Waiver.

In the 2014 legislative session, HB1391 was enacted calling for a pilot program to be conducted in four Area Agencies on Aging employing new guidelines regarding CHOICE. This pilot began January 1, 2015. Reporting on the first six months of the pilot are include with this annual report.

Introduction

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program was established during the 1987 legislative session through House Enrolled Act 1094 and began as a pilot program in Knox, Daviess, and Tippecanoe counties in 1988. In 1990, the program expanded to eleven additional counties and by 1992, the program included services to all of Indiana's 92 counties. In 2005, Indiana Code 12-10-10-4 was amended to include an individual asset limit to not exceed the worth of five hundred thousand dollars. CHOICE is funded exclusively with state dollars.

To be an "eligible individual" for CHOICE program services, one must:

- be a resident of the State of Indiana;
- be 60 years of age or older or disabled;
- not have assets exceeding the worth of five hundred thousand dollars, as determined by the Indiana Division of Aging; and
- qualify under the criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence if the individual is unable to perform two (2) or more assessed activities of daily living.

CHOICE funding for services is used after all other possible payment sources have been identified and all reasonable efforts have been employed to utilize those sources. While there are no income restrictions on eligibility, a cost share exists for anyone above 150% of Federal Poverty Level. The 2014 Federal Poverty Level for a one-person household was \$11,770 and a two-person household was \$15,930.²

¹ Average number of CHOICE clients served per month was calculated by adding the number of clients served each month as reported by each Area Agency on Aging per the mid-month report and dividing the total number by 12. Includes CHOICE allocation only; does not include Medicaid, Medicaid Waiver, Social Services Block Grant or Older Americans Act-Title III.

² United States Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, <http://aspe.hhs.gov/2015-poverty-guidelines>.

Basis for the CHOICE Annual Report

IC 12-10-10-11 is the basis for the CHOICE annual report. The code is listed throughout this report along with the appropriate statistics and data from SFY 2015, which encompasses July 1, 2014 through June 30, 2015.

Reporting Requirements

IC 12-10-10-11

Before October 1 of each year, the Division, in conjunction with the Office of the Secretary, shall prepare a report for review by the Board and the General Assembly. The report must include the following information regarding clients and services of the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program and other long term care home and community-based programs.

Amount and Source of Local, State and Federal Dollars Spent³

IC 12-10-10-11(a) (1)

Total allocation (CHOICE, SSBG, Older Americans Act - Title III, Aged and Disabled Medicaid Waiver, and Traumatic Brain Injury Medicaid Waiver) for SFY 2015. **Total Number Served** is not an unduplicated number; individuals may have been served through multiple programs at a point and time during this reporting period.

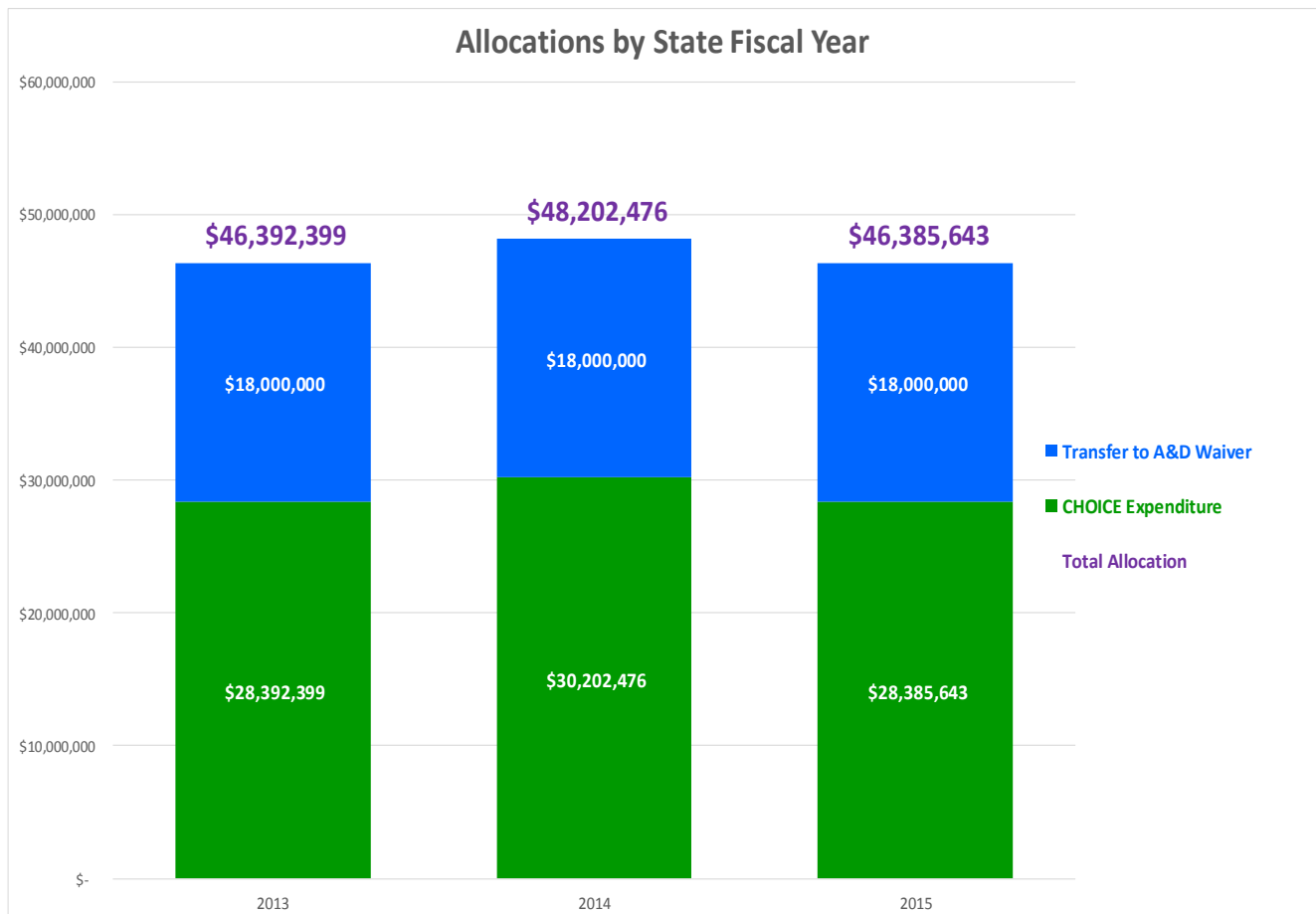
State Fiscal Year 2015	Total	State	Federal	Total Number Served
Aged and Disabled Medicaid Waiver	\$ 184,266,046	\$ 60,807,795	\$ 123,458,251	15,688
Traumatic Brain Injury Waiver	\$ 5,120,154	\$ 1,689,651	\$ 3,430,503	187
Social Services Block Grant	\$ 10,441,739	\$ 687,396	\$ 9,754,343	22,971
Older Americans Act - Title III	\$ 22,343,567	\$ 133,876	\$ 22,209,691	14,763
CHOICE	\$ 28,385,643	\$ 28,385,643	\$ -	6,741
SFY 2015 Total Allocations	\$ 250,557,149	\$ 91,704,361	\$ 158,852,788	47,743

³ Waiver expenditures were obtained from the Office of Medicaid Policy and Planning. CHOICE, SSBG and Title III allocations were taken from Division of Aging contract information.

Below is a comparison of the past three state fiscal year CHOICE allocations and number of clients served.

State Fiscal Year	CHOICE Allocation	Clients Served	Clients Who Were Medicaid-Eligible
2013	\$ 28,392,399	4,471	2,515
2014	\$ 30,202,476	3,675	1,593
2015	\$ 28,385,643	6,741	3,097

Clarification on CHOICE Allocations and Expenditures for State Fiscal Year 2015	
Total Expenditure	\$ 46,385,643
Match for Medicaid Waiver	\$ 18,000,000
Division of Aging Administration (includes \$60,000 for Farmer's Market)	\$ 662,192
AAA Contracted CHOICE Services	\$ 27,723,451



Average CHOICE Allocation Per Client

CHOICE cost per clients of \$845 per month was based on total CHOICE allocation of \$28,385,643, which excludes the \$18,000,000 used for waiver match and an average utilization period per consumer of five months.

If the calculation were based on AAA Contracted CHOICE Services alone, the monthly cost per client would be \$793. This would include CHOICE dollars the AAA uses for administrative expenses, case management (including waiver administration), and other items not related to CHOICE direct services.

If the calculation was based on average monthly care plan cost, the figure would be around \$550 per client per month. This would include direct services only. Case management expenditures and administrative expenditures of the AAA would be excluded.

Clarification on Clients Served

Clarification on CHOICE Clients Served for State Fiscal Year 2015		
Use	CHOICE Dollars	Estimated Persons Served
Match for Medicaid Waiver	\$ 18,000,000	3884
Farmer's Market	\$ 60,000	4264
Contracted CHOICE	\$ 27,385,643	6741 ⁴

⁴ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

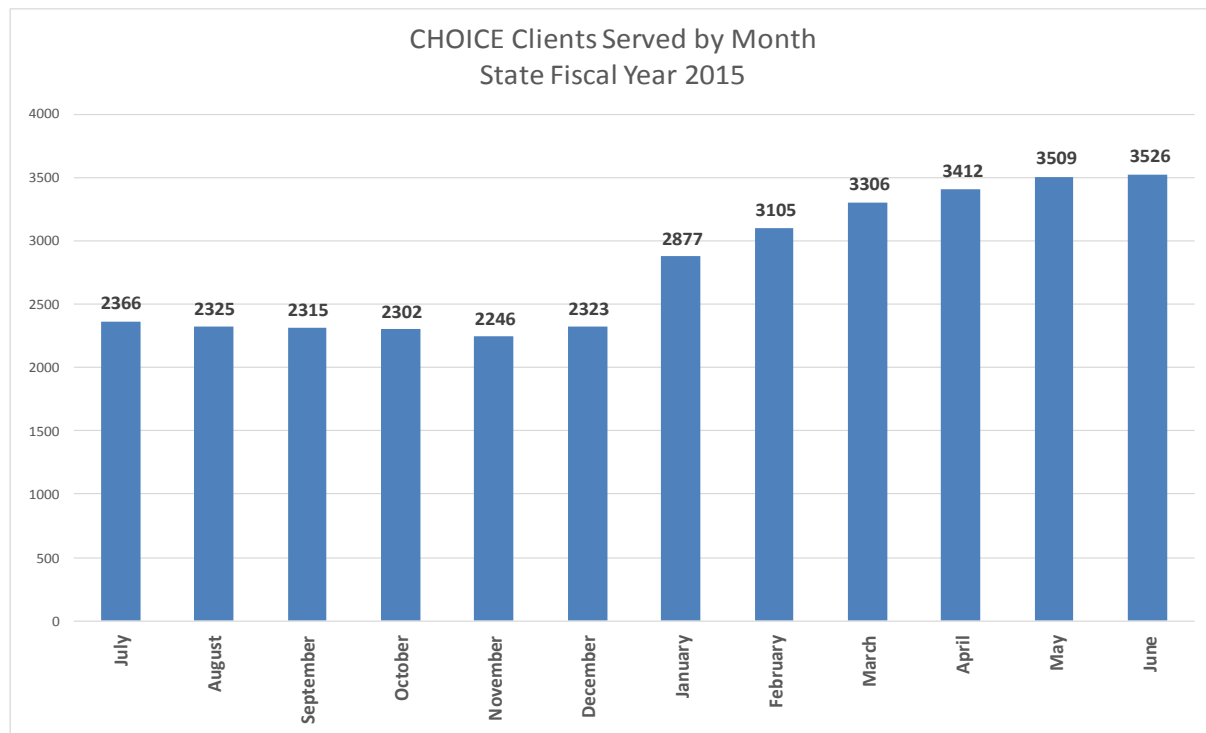
Expenditures per AAA (claims data as of 9/18/15):

	ADMINISTRATION	ADMIN % of ALLOCATION	CASE MANAGEMENT	CMGT % of ALLOCATION	CARE PLANNED SERVICES	NON CARE PLANNED SERVICES	TOTAL	ALLOCATION
AAA 1	\$ 333,159.40	10%	\$ 880,542.08	26%	\$ 1,877,122.24	\$ -	\$ 3,090,823.72	\$ 3,450,002.36
AAA 2	\$ 247,574.46	9%	\$ 881,117.07	32%	\$ 1,032,650.41	\$ 372,605.69	\$ 2,533,947.63	\$ 2,788,056.63
AAA 3	\$ 220,821.42	10%	\$ 764,946.88	33%	\$ 1,330,955.59	\$ 3,983.61	\$ 2,320,707.50	\$ 2,320,707.50
AAA 4	\$ 108,012.62	8%	\$ 363,919.90	28%	\$ 650,071.37	\$ -	\$ 1,122,003.89	\$ 1,294,947.23
AAA 5	\$ 83,934.31	7%	\$ 368,863.59	31%	\$ 647,515.83	\$ -	\$ 1,100,313.73	\$ 1,190,236.16
AAA 6	\$ 129,333.86	6%	\$ 527,273.08	25%	\$ 1,128,868.01	\$ 102,164.70	\$ 1,887,639.65	\$ 2,069,806.09
AAA 7	\$ 95,980.37	8%	\$ 266,754.68	22%	\$ 708,741.95	\$ 45,421.62	\$ 1,116,898.62	\$ 1,218,648.58
AAA 8	\$ 497,671.10	9%	\$ 1,829,097.28	34%	\$ 1,797,810.47	\$ -	\$ 4,124,578.85	\$ 5,400,166.91
AAA 9	\$ 73,462.85	8%	\$ 231,654.98	26%	\$ 477,161.17	\$ -	\$ 782,279.00	\$ 904,983.05
AAA 10	\$ 23,521.01	4%	\$ 133,612.99	20%	\$ 435,133.91	\$ 1,872.00	\$ 594,139.91	\$ 666,564.12
AAA 11	\$ 48,102.12	5%	\$ 200,461.95	21%	\$ 628,524.07	\$ -	\$ 877,088.14	\$ 973,598.69
AAA 12	\$ 78,071.51	13%	\$ 336,334.65	43%	\$ 342,908.56	\$ 1,302.00	\$ 758,616.72	\$ 784,469.56
AAA 13	\$ 102,680.40	9%	\$ 178,932.29	15%	\$ 597,230.97	\$ 207,547.31	\$ 1,086,390.97	\$ 1,195,406.59
AAA 14	\$ 33,921.16	3%	\$ 438,558.93	39%	\$ 570,225.98	\$ -	\$ 1,042,706.07	\$ 1,139,112.86
AAA 15	\$ 69,442.77	9%	\$ 127,172.95	16%	\$ 375,211.67	\$ 120,470.57	\$ 692,297.96	\$ 782,706.80
AAA 16	\$ 148,835.79	10%	\$ 545,981.46	35%	\$ 831,874.32	\$ -	\$ 1,526,691.57	\$ 1,544,037.88

TOTAL \$ 2,294,525.15 \$ 8,075,224.76 \$ 13,432,006.52 \$ 855,367.50 \$ 24,657,123.93 \$ 27,723,451.01

CHOICE 2.0 Pilot AAAs

original CLP pilots



Use of CHOICE to Supplement the Funding of Services from Other Programs

IC 12-10-10-11(a)(2)

Number of people who received CHOICE services while Medicaid-eligible: 3,097⁵

Number and Types of Providers

IC 12-10-10-11(a)(3)

Total Number of CHOICE Providers: 922

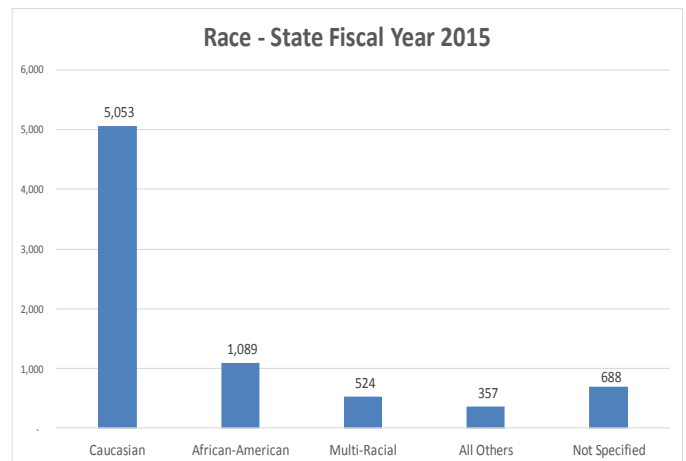
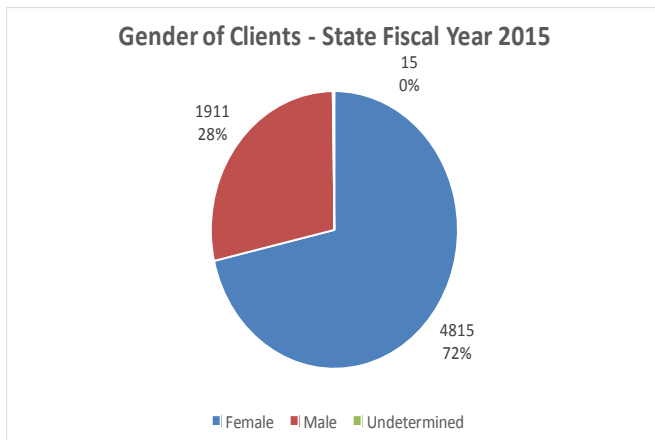
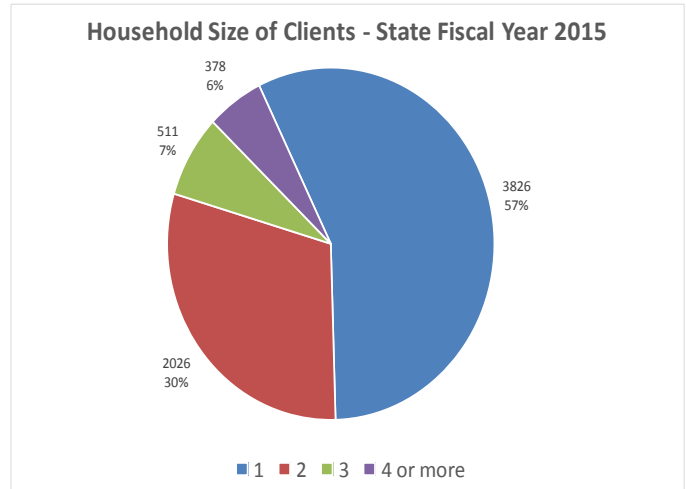
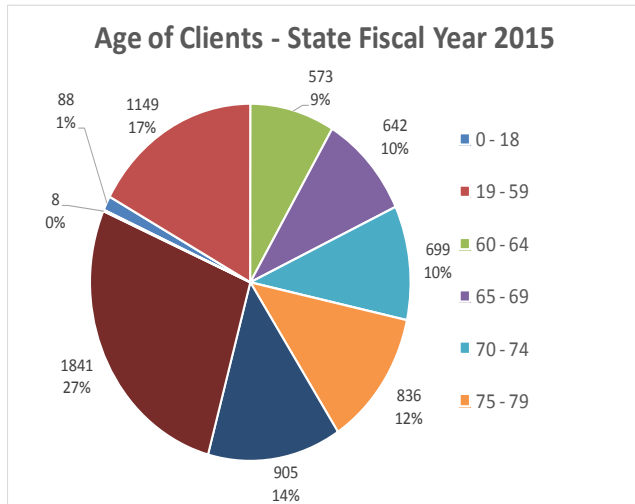
Types of Participating CHOICE Providers:

Adult Day Care Centers	Area Agencies on Aging
Assistive Technology Suppliers	Cleaning Service Companies
Construction Companies	Physicians
Faith-Based Social Service Agencies	Home-Delivered Meals Services
Hospitals	Informal Providers
Legal Service Organizations	Local Housing Authorities
Medical Centers	Medical Equipment Companies
Mental Health Agencies	Pest Control Companies
Pharmacies	Physical Therapists
Transportation Companies	Personal Service Agencies
Home Health Agencies	

⁵ Clients matched from CHOICE against Indiana Medicaid.

Demographic Characteristics⁷

IC 12-10-10-11(a)(4)(A7)



Impairments and Medical Characteristics of CHOICE Clients⁶
IC 12-10-10-11(a)(4)(B)

Primary Diagnosis - State Fiscal Year 2015		
Diagnosis	Number	% of Total
No Diagnosis Code	550	8.2%
Circulatory	1,447	21.5%
Nervous	1,000	14.8%
Alzheimers and Dementia-Related	770	11.4%
All Others	2,974	44.1%

Secondary Diagnosis - State Fiscal Year 2015		
Diagnosis	Number	% of Total
No Diagnosis Code	1,150	17.1%
Circulatory	1,497	22.2%
Nervous	527	7.8%
Alzheimers and Dementia-Related	199	3.0%
All Others	3,368	50.0%

Tertiary Diagnosis - State Fiscal Year 2015		
Diagnosis	Number	% of Total
No Diagnosis Code	2,224	33.0%
Circulatory	1,167	17.3%
Nervous	407	6.0%
Alzheimers and Dementia-Related	150	2.2%
All Others	2,793	41.4%

⁶ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

Comparison of Costs for All Publicly Funded Long-Term Care Programs IC 12-10-10-11(a)(5)

State Fiscal Year 2015	CHOICE	Older Americans Act - Title III	Social Services Block Grant	Combined Home and Community-Based Waivers
Annual Allocation	\$ 28,385,643	\$ 22,343,567	\$ 10,441,739	\$ 189,386,200

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CHOICE State Fiscal Year 2015	Total	State	Federal
Average cost per client based on 2801 clients served per month			
Per Day	\$ 28	\$ 28	\$ -
Per Month	\$ 845	\$ 845	\$ -
Per Year	\$ 4,189	\$ 4,189	\$ -
Nursing Facilities State Fiscal Year 2015	Total	State	Federal
Average Cost per Client			
Per Day	\$ 143	\$ 47	\$ 96
Per Month	\$ 4,043	\$ 1,330	\$ 2,713
Per Year	\$ 48,520	\$ 15,958	\$ 32,562

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⁷ Waiver expenditures were obtained from the Office of Medicaid Policy and Planning. CHOICE, SSBG, and Title III allocations were taken from Division of Aging contract information.

⁸ CHOICE average cost per day calculated as average monthly cost divided by 30. The yearly cost for CHOICE is not simply 12 times the monthly cost, because CHOICE clients were not necessarily in CHOICE for all 12 months of the fiscal year. The average nursing facility cost per month is the average cost per day multiplied by 28.2, which represents the average number of utilization days per month. The average cost per year is the average cost per month multiplies by 12 months per year. All nursing facility expenditures reflect incurred costs. Nursing facility data was obtained from Milliman.

Client Care Outcomes

IC 12-10-10-11(a)(6)

CHOICE provided community and home care services as an alternative to institutional care for 6,741 clients in SFY 2015. For SFY 2015, there were 449 CHOICE clients who were approved and confirmed to start the Aged and Disabled Waiver and 1 CHOICE client who was approved and confirmed to start the Traumatic Brain Injury Waiver, thus transferring from the CHOICE program to a Medicaid Waiver program.

Estimated Number of Applicants for Services from CHOICE with One ADL

IC 12-10-10-11(a) (7) (A)⁹

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have one (1) assessed activity of daily living (ADL) that cannot be performed.

CHOICE clients unable to perform 1 ADL: 854

Estimated Number of Applicants for Services from CHOICE with Two ADLs

IC 12-10-10-11(a) (7) (B)¹⁰

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have two (2) assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 2 ADLs: 1,684

Estimated Number of Applicants for Services from CHOICE with Three or More ADLs

IC 12-10-10-11(a) (7) (C)¹¹

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have three (3) or more assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 3 or more ADLs: 3,141

CHOICE clients with severe medical conditions: 1,039

⁹ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

¹⁰ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

¹¹ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes and Comparative Costs

IC 12-10-10-11(a) (7) (A) (B) (C)¹²

Program Savings

The average cost per month for CHOICE services was \$3,198 lower than the average cost to maintain someone in an institution (\$845 CHOICE vs. \$4,043 nursing home). The State and Federal portions of the savings (by day, month, and year) are illustrated below. Note that most CHOICE clients do not have nursing facility level of care.

	Daily	Monthly	Annual
A. Nursing Home	\$ 143	\$ 4,043	\$ 48,520
B. CHOICE	\$ 28	\$ 845	\$ 4,189
C. Savings (A-B)	\$ 115	\$ 3,198	\$ 44,331
D. State Share of Savings	\$ 38	\$ 1,052	\$ 14,580
E. Federal Share of Savings	\$ 77	\$ 2,146	\$ 29,751

Client Access

In SFY 2015, CHOICE clients had access to an array of services, which include the following:

Adult Day Services	Homemaker
Transport – Adult Day Services	Home Health Aide
Specialized Medical Equipment	Home Health Supplies
Assisted Transportation	LPN
Attendant Care	Medication Setup
Bath Aide	Medication Time Reminders
Behavior Management	Occupational Therapy
Case Management	Other Needed Services
Environmental Modification	Physical Therapy
Family and Care Training	Respite
Foot Care	Resident Based Habilitation
Home Delivered Meals	Respite – Homemaker
Skilled Care, RN	Speech Therapy
Respite Nursing	Social Worker
RN	Transportation
Skilled Nursing	Wheelchair Transportation

¹² Savings may not be realized because a CHOICE client is not necessarily nursing facility eligible and may not be eligible financially for Medicaid.

Costs of Other Funding Sources for Services and the Annual Costs Compared to CHOICE Annual Cost

State Fiscal Year 2015	Total	State	Federal
Aged and Disabled Medicaid Waiver	\$ 184,266,046	\$ 60,807,795	\$ 123,458,251
Traumatic Brain Injury Waiver	\$ 5,120,154	\$ 1,689,651	\$ 3,430,503
Social Services Block Grant	\$ 10,441,739	\$ 687,396	\$ 9,754,343
Older Americans Act - Title III	\$ 22,343,567	\$ 133,876	\$ 22,209,691
CHOICE	\$ 28,385,643	\$ 28,385,643	\$ -
SFY 2015 Total Allocations	\$ 250,557,149	\$ 91,704,361	\$ 158,852,788

CHOICE 2.0

HB 1391 was signed by the Governor in May 2014. It created a pilot program for CHOICE to be implemented in four area agencies on aging. The pilot was referred to as the Community Living Program and it does have similarities to the CLP grant program that was administered some years ago in AAAs 2 and 12. However, the Division has entitled the pilot CHOICE 2.0 to recognize ways in which it differs from CLP. After HB1391 passed the Division reviewed readiness surveys submitted by all sixteen AAAs, considered geography and demographics as required and selected AAAs 1, 4, 13, and 14 to participate in CHOICE 2.0.

The pilot allowed a change in eligibility for CHOICE in the pilot AAAs. No longer would impairments in two or more activities of daily living (ADL) be required. Now, with criteria approved by the CHOICE Board and developed in conjunction with the pilot AAAs, individuals can be found eligible for CHOICE 2.0 even with one or no ADL difficulties if there are indications that a targeted intervention will address a risk of institutionalization.

The pilot then required the consideration of assets as well as income in the calculation of cost share. The Division developed a formula and it was implemented in the software. In addition, case managers are required to do some verification of assets so that information is not just self-reported by the client. So, documentation is reviewed by the case manager before amounts are recorded in the case management software. Additionally the asset limit for the pilot areas was reduced to \$250,000 while it remained at \$500,000 in the non-pilot areas.

Perhaps most significantly the legislation recognized case management not as a purely administrative function but as a service in and of itself. The Division agrees wholeheartedly with that view. In the pilot AAAs, previous limits on how much of their CHOICE allocation can be spent on case management have been removed.

Pilot Performance Metrics

	Pilot AAAs	Non Pilot AAAs
Percentage of CHOICE consumers with a PAS screening - CHOICE consumers in non-pilot AAAs are those receiving care planned services; CHOICE consumers in pilot AAAs are individuals who had any CHOICE case notes	15.66%	20.39%
Percentage of CHOICE consumers with informal supports documented on their plan of care	55.96%	52.23%
Average Expenditures per CHOICE consumer, including case management for the six month period based on data from the case management system NOT claim data	\$ 415.67	\$ 1,831.84
Average Days from wait list placement date to start date of plan of care	359.90	344.32